



DEPARTMENT OF
**WORKFORCE
SERVICES**



State Agency REALIGNMENT

HB 365 and Workforce Services



HB 365●

While HB 365 primarily directs the transition of DOH and DHS into the Department of Health and Human Services (DHHS), it also amends certain responsibilities of DWS and DOH related to Medicaid and CHIP eligibility. In particular, these responsibilities were considered in the bill:

- **Medicaid Policy** – Moving the responsibility of developing Medicaid and CHIP eligibility policy and procedures to DWS, with DOH continuing to write the state plan, amendments, and administrative rule changes
- **Medicaid Eligibility Quality Control (MEQC)** – Moving the quality control function and staff to DWS under the DWS internal audit division
- **Eligibility Hearings** – Eliminating the Superior Agency Review of a hearing at DOH, resulting in a hearing order issued by DWS being considered final. With the provision in code that “UDOH is a party to, and may intervene at any time in, any judicial or administrative action.”

Centers for Medicare and Medicaid Services (CMS) Request for Review ●

May 21, 2021: DOH submitted a Request for Review to CMS for its consideration

June 21, 2021: Both DOH and DWS met with CMS to discuss the request with the Request and Review resulting in the following feedback from CMS; which are supported by both DOH and DWS

HB 365●

- Medicaid Policy – CMS was not supportive of this proposal, citing CFR 431.10E
 - (e) Authority of the Single State Agency. The Medicaid agency may not delegate, to other than its own officials, the authority to supervise the plan or to develop or issue policies, rules, and regulations on program matters.
- Medicaid Eligibility Quality Control (MEQC) – CMS was supportive of MEQC being under DWS as long as it was under a separate division as proposed (DWS Internal Audit)
- Eligibility Hearings – CMS was supportive of this proposal as long as it is clear DHHS is delegating the responsibility to DWS and that DHHS would still review patterns in hearing decisions to ensure policy is being applied correctly